

1 **Q: Reference: Liberty Consulting Report, August 19, 2016, Review of**  
2 **Newfoundland and Labrador Hydro Power Supply Adequacy and Reliability**  
3 **Prior to and Post Muskrat Falls Final Report**

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5 **On pages 101 and 102 it is stated:**

6 *"In addition, Hydro's desire to engage in market transactions with others in North*  
7 *America brings the requirement of granting others access to the IIS. These needs*  
8 *have been known for some time, and Hydro has been taking steps to address*  
9 *them."*

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11 **What sources is Liberty relying on to support the statement that it is a**  
12 **"requirement" that Hydro grant others access to the IIS, and specifically, what**  
13 **"others"? Further, what steps is Liberty aware of that Hydro has taken to**  
14 **address the issue of granting others access to the IIS?**

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17 A. Liberty's use of the term "requirement" is specifically tied to "Hydro's desire to  
18 engage in market transactions with others in North America". To the extent  
19 Newfoundland and Labrador decides that gaining access to other markets is not  
20 beneficial, then there is no requirement to pursue that option. On the other hand, if  
21 Newfoundland and Labrador or Nalcor wishes to have open access to any other  
22 electric markets, including its neighbors in New England, it is required to provide  
23 reciprocity.

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25 It is Liberty's understanding that government action would be required for open  
26 access in the Province. Further, we understand that the provincial government has  
27 been working with Hydro to determine the actions it must take and to establish a  
28 strategy and plan for Newfoundland and Labrador's place in a North American  
29 electric grid and market.